

PROPOSAL  
May 24, 1999

**Formation of a Mayor's Office of Small Business  
Affairs & a Small Business Commission**

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**BUSINESS PLAN**

**FROM THE OFFICE OF SUPERVISOR MARK LENO**

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Proposals to be considered by the newly formed Small Business Commission

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## TABLE OF CONTENTS

Fundamental Objective/Organizational Scheme	Page 1
Strategic Overview	Page 1
Summary/The Office's Day to Day Activities	Page 2
The Small Business Commission Members & Staff	Page 2
The Office of Small Business Affairs/ Department Head & Staff	Page 2
Programmatic Financing	Page 3
Core Services to be Provided	Page 3
<b>A. Advocating Small Business Concerns</b>	Page 3
Providing Ombuds Services	Page 3
i) Work to forge stronger Permitting Authorities in consultation with DBI	Page 3
ii) Establishing a Linked Global Information System in consultation with DPW	Page 3
iii) Cutting Permit Processing Time by working with DBI's One Stop Permit Program	Page 3
iv) Evaluate the necessity for a Guaranteed Second Opinion Program	Page 4
v) Establishment of an Interactive Voice Response System	Page 4
vi) Supporting the Small Business Commission & Mayor's Office	Page 4
vii) Creation and/or coordination of the existing Infrastructure Impact System	Page 4
<b>B. Developing Partnerships/Revitalizing Business</b>	Page 5
(i) Maximize City funds to leverage additional dollars	Page 5
(ii) Explore the creation and strengthening of Small Business Revitalization Areas	Page 5
(iii) Explore the creation of a Citywide Main Street Program	Page 5
(iv) Explore supporting and partnering with existing technology efforts	Page 5
<b>C. Providing Access to Financial Resources</b>	Page 5
(i) Assess the viability of the existing Storefront Improvement Pilot Program and its effectiveness	Page 5



## TABLE OF CONTENTS

(ii) Explore the creation of a Seed Capital Grant Program	Page 6
(iii) Support Emerging Technologies	Page 6
(iv) Exploration of a San Francisco Housing Microbusiness Program	Page 6
(v) Serving as the Liaison for the Mayor's Offices of Community & Economic Development	Page 6
(vi) Serving as the Liaison for an MBE/WBE Program	Page 6
<b>D. Technical Assistance Coordination</b>	Page 6
(i) Funding or coordinating the establishment of a Contracting Opportunities Project	Page 6
(ii) Supporting a Multicultural Economic Development Project	Page 7
(iii) Funding or coordinating the establishment of a Women's Business Training Center	Page 7
<b>E. Getting the Word Out</b>	Page 7
(i) Developing a Business Resource Station	Page 7
(ii) Creating a Small Business Outreach Program	Page 7
(iii) Participation in efforts to update and publicize business resource guides and publications for small businesses	Page 7
(iv) Publishing an Economic Development Publication and online services for small businesses	Page 8
<b>F. Location and Staffing of the Department</b>	Page 8
<b>G. Eligibility to Utilize the Department's Services</b>	Page 8
<b>H. Economic Impact of Creating the Department</b>	Page 8



## **BUSINESS PLAN**

### **DEPARTMENT OF SMALL BUSINESS AFFAIRS**


(the department and its governing commission shall be legislatively created by the Board of Supervisor, which legislation shall then be executed by the Mayor)

#### **Fundamental Objective/Organizational Scheme:**

- To promote and encourage the establishment and retention of small businesses within the City and County of San Francisco (sometimes herein referred to as the "City").
- The Office of Small Business Affairs (sometimes herein referred to as the "Office") shall be organized in such a manner as to provide or to coordinate any and all assistance that will help businesses and entrepreneurs remain in the City.

#### **Strategic Overview:**

The Small Business Commission (sometimes herein referred to as the "Commission") will be established by Legislative Ordinance to develop a cooperative and supportive atmosphere between the independent business community and the City and County of San Francisco. It will be charged with formulating policies and procedures on behalf of the Mayor and the Board of Supervisors that are consistent with the legislation that enacted the Commission. The Commission will deal with any and all matters that will enhance the potential of small businesses in San Francisco to succeed. The Commission will be charged with the formulation of policies and procedures which may impact the management, the operation and/or the financial stability of the City's small businesses. By supporting the Commission's creation, City leaders will also be making a strong statement about the unique role of small businesses in the economic vitality of the City and the importance of small businesses in the development of jobs in the City. The creation of the Commission will be viewed as an extremely proactive move by the City's leaders, and enhance the City's reputation nationally as being on the cutting edge in the areas of economic and community development.



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### Summary: The Department's Day To Day Activities:

Comprehensive one-on-one business assistance to promote business retention, expansion and attraction; services including site selection assistance, compiling economic incentive and training packages, and facilitating permits and approvals related to a particular project, all of which are fully delineated below under Sub-Sections of Sections A, B, C and D of this business plan.

### The Small Business Commission Members and Staff:

The Small Business Commission, composed of seven members, shall be an unpaid board appointed by the Mayor and confirmed by the Board of Supervisors. The Commission shall represent key small business organizations as well as leaders from the small business community. The staff of the Mayor's Office of Small Business Affairs, in addition to their department responsibilities, will serve as the staff to the Small Business Commission, carrying out specific projects initiated by the Small Business Commission.

### The Department of Small Business Affairs /Department Head & Staff:

At the discretion of the Mayor, the staff of the Office of Small Business Affairs should consist of those professionals who have expertise in the relevant areas of economic and community development. For example, these staff members should have technical knowledge and/or familiarity in providing ombudsman assistance to small businesses, and technical assistance to small businesses. The Department Head shall be appointed by the Mayor in a manner not inconsistent with applicable law.



### Programmatic Financing:

The funding source for the Department's Programmatic Financing and staffing compensation shall be allocations from all lawful sources. The allocations of which, in the aggregate, shall initially be consistent with that level of financing which is sufficient for the Department to effectively carry out the proposed programmatic functions and any other mandates it receives from the City's Board of Supervisors.

### Core Services to be provided by The Office:

#### A. Advocating Small Business Concerns:

- Providing Ombuds Services - which assists individual small businesses with issues relating to permitting, zoning and regulatory challenges and providing small businesses with all necessary contacts. Staff will work with regulatory departments and agencies on a case-by-case basis to ensure that small businesses are provided the necessary assistance from start-up to expansion, i.e., site selection, public-private incentive packages, special economic zone benefits, access to financing sources, job training programs, facilitation of permitting and entitlements, information and access to business financing and assistance resources targeted to specific needs, and international trade information and resource assistance.

✓(i) Work with existing Permitting Authorities in consultation with City Departments - which will access city & county, state, and federal permitting authorities to serve businesses through one convenient point of contact.

✓(ii) Utilizing the Department of Public Works Information Systems- which will serve small businesses through an automated, state-of-the-art project management and tracking system.



- (iii) Cutting Permit Processing Time by working with DBI's One Stop Permit Program - which will be a goal established by the Department that is acceptable to the Small Business Commission, the City's Board of Supervisors and the Mayor's Office.
- (iv) Evaluate the necessity for a "Guaranteed Second Opinion" Program - which will provide clients with an opportunity to request a review of any permitting issue from qualified City staff where there is not an appeals process currently in place.
- (v) Explore the Establishment of an Interactive Voice Response (IVR) system for faster after-hours service- which system will provide quick access to permit status and construction inspection appointments.
- (vi) Supporting the Small Business Commission and the Mayor's Office- through formulation of policies and programs on local, regional and national issues that affect the ability of San Francisco Small Businesses not merely to succeed, but to thrive economically. Additionally, advocating regulatory relief and policy reform shall be high on the list of targeted goals for the Director of the Office of Small Business Affairs. Other targeted goals shall include:
  - ✓ • Guiding the efforts of the Office of Small Business Affairs, through proactive management from its department head in the development of all small business enhancement programs and the promotion and implementation of any and all proposals from the Small Business Commission, the San Francisco City Board of Supervisors and the Mayor's Office.
  - ✓ • Facilitating needed negotiations between various departments and industry to evaluate current regulations which may be redundant.
  - ✓ • Establishing relationships with the California State Legislature's Revenue and Taxation Committee and help promote more tax incentives to conduct business in the City.



- √ (vii) Facilitate coordination of the existing Infrastructure Impact Program - which coordinates with businesses and public agencies to minimize negative construction impacts during street construction, freeway construction and other significant construction projects.

#### **B. Developing Partnerships/Revitalizing Business:**

- (i) Maximize City funds to leverage additional dollars - in securing matching grants, assessment fees and private investment to support business development efforts citywide.
- (ii) Explore the creation and strengthening of Small Business Revitalization Areas - which areas allow businesses to join forces to make a plan for concentrated delivery of City services to physically revitalize a neighborhood merchant and commercial area.
- (iii) Explore the creation of a citywide Main Street Program - which program utilizes nationally-recognized urban revitalization efforts and federal dollars. Such programs have been successful in larger communities across the country, such as Boston, New York City, and San Diego.
- (iv) Explore supporting and partnering with existing technology efforts - which centers work with businesses to provide information on how to access advanced technologies, for example, the Bay Area Video Coalition and the San Francisco Partnership.

#### **C. Providing Access to Financial Resources:**

- (i) Assess the viability of the existing Storefront Improvement Pilot Program and its effectiveness - which program utilizes a matching grant program to help revitalize older neighborhood commercial districts, and has a nationwide successful track record.





- ✓ (ii) Explore the creation of a Seed Capital Grant Program- which is a matching grant program from public and private sources that would help strengthen existing, nonprofit business development agencies.
- (iii) Support Emerging Technologies- to continue to attract multi-media companies and provide that necessary support which will promote job creation and retention in San Francisco.
- (iv) Facilitation of San Francisco's Housing Microbusiness Programs- which would facilitate referrals and informational services to low income individuals interested in starting a business, i.e., MOCD's Micro-Lending Business Loans and Job Network.
- \* (v) Serving as the Liaison for the Mayor's Office of Community/Economic Development- in such capacity serve as a clearinghouse on conveying information to the business community on the various loan programs that are administered by MOCD, such as the <sup>①</sup>Micro-Enterprise Revolving Loan Program, the <sup>②</sup>Small Business Revolving Loan Fund, <sup>③</sup>the Section 108 Loan Program, and the <sup>④</sup>Title IX Loan Fund Programs, and shall establish contact with the relevant staff members of MOCD.
- \* (vi) Serving as the Liaison for MBE/WBE Programs - which will put these business entities in contact with the relevant public and private and federal agencies that make loans and grants to these micro and small businesses that are typically unable to obtain conventional financing. For example, providing informational referrals for technical assistance, legal assistance, and leveraging the current resources of the City's current MBE/WBE Program.

#### D. Technical Assistance Coordination:

- (i) Supporting Contracting Opportunities for Small Businesses through Technology - which will facilitate government procurement opportunities for small businesses, for example, supporting small business interaction over the internet with the Purchasing Department.



- (ii) Supporting multicultural economic development - which will support the City's communications with ethnically diverse business groups to provide business assistance to these communities, and linkage to the various ethnic Chambers of Commerce.
- (iii) Coordinating Women's Business Training- which will provide business training, one-on-one coaching and mentoring, for example, through utilization of the National Association of Women Business Owners and other existing organizations.

#### E. Getting the Word Out:

- \* (i) Participating in the efforts of the Office of the Treasurer & Tax Collector in exploring use of the Internet as a Business Resource Center - which will serve as an interactive information center designated to provide aspiring entrepreneurs with everything they need to know about starting a small business in the City of San Francisco, and retaining existing businesses in the City. Also, as the results of the Charter's required 1999 Citizen Survey indicated, many small businesses would like to be able to do the following business with the City over the Internet: apply for a business license and pay for property taxes; therefore, the Office of the Treasurer & Tax Collector is exploring other online transactions. Also, linking these entrepreneurs to the resources of the Small Business Administration, including the efficient utilization of the SBA's website.
- (ii) Participation in efforts by the Office of the Treasurer & Tax Collector to do small business outreach- which will promote the variety of City's technical assistance programs, and other technical assistance programs from various community groups that are available to the small business community.
- \* (iii) Participation in efforts to update and publicize business resource guides and publications for small businesses - i.e., updating and publicizing the "Getting a Business Started" publication by the



Mayor's Office of Economic Development, and other guides and resource directories that will navigate entrepreneurs through the regulatory process of starting a business. Also, linking these entrepreneurs to the resources of the Small Business Administration, including the efficient utilization of the SBA's website.

- (iv) Explore Publication of an Economic Development Publication and online services for small businesses - a quarterly or periodic newsletter to keep San Francisco businesses informed about development programs and business-friendly initiatives; alternatively, this publication can be produced online.

#### **F. Location & Staffing of the Department:**

The Office of Small Business Affairs shall be located within the Mayor's Office of Economic Development. The staff shall consist of a Department Head and all such ancillary staffing that is necessary to effectively carry out the Office of Small Business Affairs' mission.

#### **G. Eligibility to Utilize the Department's Services:**

Any small business with 50 or fewer employees or as determined by the Commission.

#### **H. Economic Impact of Creating A Department of Small Business Affairs:**

While this office cannot accurately predict the exact number of jobs that will be created and the additional tax revenue that will be generated for the City, it is reasonable to estimate that an enhanced small business climate will create a plethora of new jobs by allowing existing businesses to expand and by attracting new start-up businesses. This in turn will increase the City's tax revenues, allowing for even greater prosperity. A more meaningful estimate on the number of jobs that will be created and the extra tax revenues that will be generated can be derived from the Treasurer's Office and the Legislative Analyst's Office. However, for illustrative



purposes, it is worth noting that the highly successful Main Street Program, which began in 1980 and is national in scope, has created over 33,000 new businesses nationwide, 115,000 jobs nationwide, resulted in the rehabilitation of over 34,000 historical commercial buildings nationwide, and has had an expenditure of over \$5.8 billion investment dollars (generating an average of \$30 in private investment for every public dollar used to support the revitalization effort).







